11th

ANNUAL REPORT

of the

PRINCE EDWARD ISLAND

LOTTERIES COMMISSION

for the

FISCAL YEAR ENDING

31 March 1987

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Prince Edward Island
LOTTERIES COMMISSION

Post Office Box 2000
Charlottetown
Prince Edward Island
Canada C1A 7N8

Letter of Committal

28 January 1988

Minister of Finance
Shaw Building
Provincial Administrative Buildings
Charlottetown
Prince Edward Island
C1A 7N8

Sir;

In accord with subsection 14(1) of the LOTTERIES ACT (L.P.E.I. 1976, Cap. 20), I hereby convey the report of the operations of the Prince Edward Island Lotteries Commission for the Fiscal Year ending 31 March 1987.

Yours truly,

Honourable Gilbert R. Clements
Chairman
Prince Edward Island Lotteries Commission

PRINCE EDWARD ISLAND LOTTERIES COMMISSION

ANNUAL REPORT

for the Fiscal Year ending 31 March 1987

1. COMMISSION ESTABLISHED:

The Lotteries Act (L.P.E.I. 1976, Cap. 20), enacted by the Legislative Assembly at its 1976 session and given Royal Assent on 22 April 1976, provided for the establishment of a P.E.I. Lotteries Commission. The Act was proclaimed via Order-in-Council No. EC673/76 for effect on 24 July 1976.

2. MINISTER REPONSIBLE AND OFFICERS:

In constituting the P.E.I. Lotteries Commission, the Lieutenant Governor in Council made the following appointments; Mr. Clements became Chairman of the Commission on his appointment as Minister of Finance on 2 May 1986.

2.1 Minister Designated as Responsible for the Administration of the Act (current): (via EC750/82 of 28 October 1982)

Minister of Finance

2.2 Chairman of the Commission: (via EC185/86 of 2 May 1986)

Hon. Gilbert R. Clements

2.3 Vice-Chairman of the Commission: (via EC849/83 of 3 November 1983)

W. Philip MacDougall

The Commission, at its first meeting, appointed the remaining Member of the Commission, the Clerk of the Executive Council (presently, D. B. Boylan), as Secretary-Treasurer.

3. BYLAWS OF THE COMMISSION:

In addition to the requirements of the Lotteries Act, the Commission is governed by its Bylaws which were approved by the Lieutenant Governor in Council on 26 August 1976 via EC794/76.

4. AGREEMENTS:

As provided in section 7 of the Act, subsections (b) and (c), the Commission recommended two agreements for the consideration of the Lieutenant Governor in Council, both of which were approved and subsequently entered into by the Commission.

4.1 via EC796/76 of 26 August 1976, an agreement with the Provinces of Nova Scotia, New Brunswick and Newfoundland to establish and operate a regional lottery.

4.2 via EC797/76 of 26 August 1976, an agreement for the establishment of the Atlantic Lottery Corporation.

5. LOTTERIES OPERATED OR SANCTIONED:

The P.E.I. Lotteries Commission did not operate any lotteries during the Fiscal Year 1986/87. Six lottery games sanctioned by the Commission continued in operation during the fiscal year: A-Plus, A50, Provincial, Super, 649, Pik 4 and "instants".

6. ATLANTIC LOTTERY CORPORATION:

By motion of the Commission, W. Philip MacDougall and D. B. Boylan were named as the two P.E.I. Directors of the Atlantic Lottery Corporation and Mr. Boylan continued as a Director of the Interprovincial Lottery Corporation. The Directors attended various meetings of the Corporation throughout the fiscal year ending 31 March 1987, and Mr. Boylan was elected Chairman of the Corporation for the fiscal year.

In particular, the P.E.I. Lotteries Commission extends its appreciation to the General Manager of Atlantic Loto, Cluny MacPherson, for his continuing effort in the operation and management of our regional lottery.

7. MEETINGS OF THE COMMISSION:

During the Fiscal Year ended 31 March 1987, the Commission held meetings on: 8 April, 11 July and 27 November of 1986 and on 6 February 1987.

8. FINANCIAL REPORT:

For the Fiscal Year ending 31 March 1987, the P.E.I. Commission received $3,169,410.08 from the Atlantic Lottery Corporation (being payment of the balance due for FY85/86 at 31 March 1986, $26,617.07 and $3,142,793.01 of assigned profit for FY86/87).

However, the audited statement of the Atlantic Lottery Corporation shows a current balance of $221,653.41 due to the P.E.I. Lotteries Commission for FY86/87. This amount will be provided to the Commission early in FY87/88.

A receivable of $38,652.47 is shown in the Auditor's Report of the Atlantic Lottery Corporation which represents the long-term liability of that Corporation attributable to the P.E.I. Commission.

Thus, the net receivable from the Atlantic Lottery Corporation (as shown in the Corporation's audited statement for FY86/87) is $260,305.88.

The Commission paid $3,169,410.08 to the Minister of Finance and Tourism for deposit in the Consolidated Revenue Fund (as required by section 10 of the governing statute).

Expenditures totalled $9.95 (for courier service) leaving a balance of $260,473.20 payable to the Province.

APPENDIX A

PRINCE EDWARD ISLAND
LOTTERIES COMMISSION

STATEMENT
OF
REVENUE AND EXPENDITURE
FOR THE FISCAL YEAR
1 APRIL 1986 THROUGH 31 MARCH 1987

A. REVENUE

DATE	SOURCE	AMOUNT
18 April 1986	Atlantic Lottery Corporation (profit distribution)	$193,058.65
20 May 1986	Atlantic Lottery Corporation (profit distribution)	308,074.91
20 June 1986	Atlantic Lottery Corporation (profit distribution)	294,644.96
22 July 1986	Atlantic Lottery Corporation (profit distribution) and FY85/86 adjustment	287,235.79
20 August 1986	Atlantic Lottery Corporation (profit distribution)	262,710.27
18 September 1986	Atlantic Lottery Corporation (profit distribution)	282,716.21
20 October 1986	Atlantic Lottery Corporation (profit distribution)	233,467.95
20 November 1986	Atlantic Lottery Corporation (profit distribution)	290,545.03
19 December 1986	Atlantic Lottery Corporation (profit distribution)	246,282.99

DATE	SOURCE	AMOUNT
20 January 1987	Atlantic Lottery Corporation (profit distribution)	$247,177.88
18 February 1987	Atlantic Lottery Corporation (profit distribution)	284,931.48
20 March 1987	Atlantic Lottery Corporation (profit distribution)	238,563.96
	TOTAL REVENUE	$3,169,410.08

B. EXPENDITURES

DATE	FAVOUR OF	AMOUNT
18 April 1986	Minister of Finance and Tourism (for Consolidated Revenue Fund)	$ 193,058.65
21 May 1986	Minister of Finance and Tourism (for Consolidated Revenue Fund)	308,074.91
20 June 1986	Minister of Finance and Tourism (for Consolidated Revenue Fund)	294,644.96
23 July 1986	Minister of Finance and Tourism (for Consolidated Revenue Fund)	287,235.79
21 August 1986	Minister of Finance and Tourism (for Consolidated Revenue Fund)	262,710.27
18 September 1986	Minister of Finance and Tourism (for Consolidated Revenue Fund)	282,716.21
20 October 1986	Minister of Finance and Tourism (for Consolidated Revenue Fund)	233,467.95
12 November 1987	Purolator Courier	9.95
21 November 1986	Minister of Finance and Tourism (for Consolidated Revenue Fund)	290,545.03

DATE	FAVOUR OR	AMOUNT
19 December 1986	Minister of Finance and Tourism (for Consolidated Revenue Fund)	$246,282.99
20 January 1987	Minister of Finance and Tourism (for Consolidated Revenue Fund)	247,177.88
19 February 1987	Minister of Finance and Tourism (for Consolidated Revenue Fund)	284,931.48
20 March 1987	Minister of Finance and Tourism (for Consolidated Revenue Fund)	238,563.96
	TOTAL	$3,169,420.03

AUDITOR GENERAL

CHARLOTTETOWN

PRINCE EDWARD ISLAND

PRINCE EDWARD ISLAND LOTTERIES COMMISSION

FINANCIAL STATEMENTS

MARCH 31, 1987

AUDITOR GENERAL

CHARLOTTETOWN

PRINCE EDWARD ISLAND

AUDITOR'S REPORT

To the Members of the
Prince Edward Island Lotteries Commission

I have examined the balance sheet of the Prince Edward Island Lotteries Commission as at March 31, 1987 and the statement of financial activities for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1987 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J. Wayne Murphy, C.A.
Auditor General

Charlottetown, Prince Edward Island
December 8, 1987

STATEMENT 1

PRINCE EDWARD ISLAND LOTTERIES COMMISSION

BALANCE SHEET

MARCH 31, 1987

(with comparative figures at March 31, 1986)

ASSETS

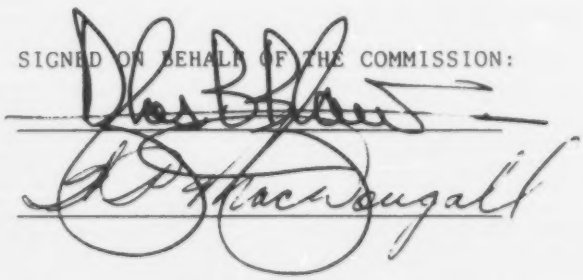
	1987	1986
Cash	$ 177	$ 187
Accounts receivable - Atlantic Lottery Corporation Inc. - Note 1	260,306	261,000
Share in Atlantic Lottery Corporation Inc. - at cost	100	100
Share in Interprovincial Lottery Corporation - at cost	1	1
	$260,584	$261,288

LIABILITIES

Due to Province of Prince Edward Island Consolidated Fund	$260,584	$261,288
	$260,584	$261,288

(Notes 1 and 2 are an integral part of these financial statements)

SIGNED ON BEHALF OF THE COMMISSION:



STATEMENT 2

PRINCE EDWARD ISLAND LOTTERIES COMMISSION

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED MARCH 31, 1987

(with comparative figures for the year ended March 31, 1986)

	1987	1986
INCOME		
Distribution of Atlantic Lottery Corporation's Net profit - Note 2	$3,168,717	$2,610,176
EXPENSES		
Bank Charges, Stationary and Supplies	10	113
Net Income before remittance to Province	$3,168,707	$2,610,063
Contribution to Prince Edward Island Consolidated Fund	$3,168,707	$2,610,063

(Notes 1 and 2 are an integral part of these financial statements)

PRINCE EDWARD ISLAND LOTTERIES COMMISSION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1987

1. Included in Accounts Receivable is $38,652 which represents the Province's investment in net fixed assets of the Atlantic Lottery Corporation Inc.

2. Income of the Commission is Prince Edward Island's share of the profit of the Atlantic Lottery Corporation Inc. The distribution of profit to each province is based on the percentage of ticket sales in that province.